

Motion for the House Appropriations Committee

Requested by Rep. Dave Kasten

Thursday, March 8, 2007

Whereas the Montana Board of Regents have agreed to a series of action steps to address the concerns about overhead costs assessed by MSU-Bozeman upon the Agriculture Experiment Station and the Extension Service, those action steps are attached as part of this motion; and,

Whereas the House Appropriations Committee shares these concerns, raised by the Agriculture Coalition, about these overhead costs:

Now, therefore, the House Appropriations Committee would hereby urge that the Montana Board of Regents and Montana State University-Bozeman cap the assessment of overhead costs upon the Agriculture Experiment Station and the Extension Service at an annual rate not to exceed five-percent (5%) of the total annual state appropriation that is made to those two public service/research agencies.

Board of Regents Planned Actions

The Board of Regents recognizes that agriculture continues to be a dominant industry in the State of Montana. Strong relationships among the State of Montana, Montana State University and its agricultural related agencies (Montana Agricultural Experiment Stations and Extension Service), and the Montana Agriculture Coalition are critical to the continued well-being and growth of the industry.

In recognition of these mutual interests, and to be responsive to the issues raised by representatives of Montana Agriculture, the Board of Regents plans the following action steps:

1. The Commissioner's Office and MSU will work with the Montana Agricultural Coalition in identifying sources of support for funding the federal portion of present law increases for MAES and ES. Currently the Governor's budget funds the states share of the present law increases at the percentage of state general fund to total funding of each agency (AES = 83% and ES = 69%).
2. The Board of Regents commits to involving agricultural constituent groups earlier in the process for both the MUS budget development and the long range building prioritization process for the 2009 legislative session.
3. Montana State University will work jointly with the Montana Agricultural Coalition in seeking increased federal funding for Montana agriculture.
4. The Board of Regents will appoint an Interim Study Panel to review the issues that have been raised by the Ag Coalition. The following issues will be the focus of this study:
 - Overhead cost allocation methodology
 - Use of Morrill trust land revenues
 - Distribution and use of F&A funds on sponsored research conducted by College of Agriculture and MAES faculty
 - Overall university support provided to the College of Ag and MAES/ES.

The panel will also give consideration to any analysis that has been done by the LFD or LAD on this issue.

The panel will present its preliminary findings to the Board of Regents at their meeting in May, 2007, and its final report to the Board at their September 2007 meeting.